

To whom it may concern:

I am a Sirius subscriber and have been for over two years. Before that, I listened to AM and FM stations and Internet radio. I am absolutely in favor of the merger. I believe that this merger will create the opportunity for tiered programming, giving consumers more choice and also giving subscribers like myself, more programming. I would like to have the chance of hearing much of the content XM has to offer along with my Sirius content - all from one receiver. For example, I would love to have the baseball package right now that XM offers, but I'm not going to put two different receivers on my dashboard and have to switch back and forth between them - and nobody should have to do that.

As far as the competitive arena in which satellite radio exists, I think it is fairly simple and clear that satellite radio competes directly with everything that is trying to win the consumer's ear including AM, FM, MP3 players (iPods), internet radio, and HD radio, along with new competitors such as Slacker and others who are finding new ways to get audio entertainment into the car and home.

A perfect example of this competitive arena can be seen in just a small sampling of my close friends. I, along with several of my friends, listen to satellite radio. I also have other friends who don't listen to satellite radio but instead, like I used to, listen to terrestrial AM/FM radio and are perfectly happy doing so. I also have a few friends who mainly listen to their iPods in the car - and this is the main source of their audio entertainment. I also have several friends who listen to Internet radio. I really don't think there is any argument that can legitimately be made that all of these don't compete - of course they do. They all can deliver music, sports, programming, news, and entertainment to the consumer's ear.

And to drive the point home even further, that these all compete with each, one needs to look no further than the SEC filings of the major terrestrial radio companies. CBS Radio (and other broadcasters) actually have already defined the competitive landscape in their SEC filings. The 10-Ks from [Radio One](#), [Cox Radio](#), [Entercom](#), and [Clear Channel](#) all define the relevant market as including satellite radio as well as other audio entertainment sources like Internet radio. Here is a direct snippet from CBS's [10-K](#) in which they state:

"Radio Competition.

The Company's radio stations directly compete within their respective markets for audience, advertising revenues and programming with other radio stations including those owned by other group owners such as ABC Radio, Clear Channel Communications, Cox Radio, Emmis Communications, Entercom and Radio One. The Company's radio stations also compete with other media, such as broadcast, cable and DTH satellite television, radio, newspapers, magazines, the Internet and direct mail.

The radio industry is also subject to competition from two satellite-delivered audio programming services, Sirius Satellite Radio and XM Satellite Radio, each providing over 100 channels of pay digital audio services. Sirius and XM sell advertising time on some of their channels and compete with the radio industry for programming.

The Company's radio stations face increasing competition from audio programming delivered via the Internet and from consumer products such as portable digital audio players. These new technologies create new ways for individuals to listen to music and other content of their choosing while avoiding traditional commercial advertisements. An increasingly broad adoption by consumers of portable digital audio players could affect the ability of the Company's radio stations to attract listeners and advertisers."

That pretty much says it all. They all compete for the consumer's ear.

In addition, the NAB, who has come out vigorously against the merger (by the way a strong clue that they are in fact competitors) contradicts itself as they have already stated previously that they are all competitors. Here is a direct quote from David Rehr, President of the NAB from a few months ago in October of 2006, before the merger was announced - [link](#):

"Who are the newer competitors? On the television side, in addition to cable and satellite and the Internet, we now have Video on Demand, interactive TV, time-shifting, place-shifting, and much more. On the radio side, we have satellite radio, Internet radio, iPODs, other MP3 players, cell phones and others."

What irked me the most as a consumer in favor of the merger and of honesty and integrity was the Carmel Group report that came out on April 3, 2007 against the Sirius- XM merger written by **Carmel Group Chairman Jimmy Schaeffler**. In this report, Mr. Schaeffler attempts to conclude that satellite radio does NOT compete with all of these other audio delivery methods. How ironic is it that the same **Jimmy Schaeffler** who wrote this NAB paid-for report, also happened to write another report back in October of 2005 (that was not NAB influenced by the way) which came to exactly the OPPOSITE conclusions. Here is a direct snippet from that October 2005 report written by **Carmel Group Chairman Jimmy Schaeffler** - [link](#):

"Jump forward another 10 or so years and today the U.S. is pitched in a new battle over the same kind of telecom development, where again, the pie grows and numerous competitors thrive, side-by-side. In this case, the new player is satellite radio, with more than seven mil. subscribers, and its competition comes in the form of traditional analog AM & FM radio, as well as burgeoning services like MP3 players, terrestrial radio, and video- and Internet-to-the-vehicle.

In this competitive vein, many believe that the future of satellite radio is lukewarm, at best. They point primarily to the competition sat radio is already beginning to experience inside the passenger cab of any car, truck or RV, or on the mobile, office or home fronts (and even in Starbucks). These critics believe satellite radio's jump start will be keenly muted, especially with the advent of 1) MP3 players, such as Apple's iPod, 2) soon-to-be nearly ubiquitous digital terrestrial radio services, 3) Internet-supplied data content, and 4) video-to-the-kids-in-the-back-of-the-SUV.

In the years ahead, radio listeners and vehicle occupants will find there's a lot more to taste from a lot bigger pie of better and better choices. The Carmel Group has for 8 years – well before the rise of digital terrestrial radio and MP3 players – projected the 2010 subscription base for satellite radio at roughly 30 million. We retain that calculated estimate today, despite the oncoming competitive base. The only thing that has changed is that we today have created projections for the other competitors. "

So there you have it, directly from terrestrial radio companies, the NAB, and the Carmel Group. They have all already defined the competitive landscape to include AM, FM, MP3 players (iPods), internet radio, HD radio, and satellite radio. There really is no more that needs to be said.

Finally, regarding this notion that the NAB is pushing about satellite radio being a national service and AM/FM isn't. Most consumers, like me, listen to satellite radio in our local areas, where we work and live. I could just as well listen to my local AM/FM broadcasts, or my local HD radio broadcasts, or an iPod (since I have an iPod jack that was built into the dashboard of both of my cars) or Internet radio while I am at work or at home. I choose to listen to satellite radio – it is my choice. I have plenty of other options if I change my mind. There is no lack of competition, and the competition will only grow fiercer with the advent of Slacker and others like it.

The merger of Sirius and XM will benefit the consumer immensely with lower prices, more programming, tiered programming, and is not anticompetitive. Thank you for the opportunity to be heard.

Michael Grunhaus - Sirius subscriber and concerned citizen.